

**STATE OF INDIANA  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL AND GAS**

RECEIVED

JUN 24 2015

Division of Oil & Gas

IN RE: ROY LINDY #1

PETITION OF HYDROCARBON INVESTMENTS, INC. FOR  
THE INTEGRATION OF ROY G. LINDY LEASEHOLD  
LOCATED IN SECTION 6, TOWNSHIP 1 SOUTH, RANGE 9  
WEST IN GIBSON COUNTY, INDIANA

**AMENDED**  
**PETITION FOR INTEGRATION OF OIL AND GAS INTERESTS**

NOW COMES, Petitioner, Hydrocarbon Investments, Inc., an Indiana corporation, by William C. Illingworth and Matthew J. Latowski, its attorneys, and for its Petition for Integration of Oil and Gas Interests, pursuant to IC 14-37-9, *et seq.*, states as follows:

1. Petitioner, Hydrocarbon Investments, Inc., an Indiana corporation, with an address of 7235 N. Green River Road, Evansville, IN 47725-7322, is the operator and a working interest owner of a certain oil and gas lease from Roy G. Lindy dated August 5, 2014, which was recorded in the Office of the Recorder of Gibson County, Indiana, on September 12, 2014, as Document Number 201400003916, as amended by First Amendment to Oil and Gas Lease dated October 30, 2014, which was recorded in the Office of the Recorder of Gibson County, Indiana, on November 7, 2014, as Document Number 201400004804. A copy of said lease and the First Amendment to Oil and Gas Lease are collectively attached hereto as Exhibit A. Said lease, as amended, is hereinafter referred to as the "Lease."

2. The Lease covers the following described property located in Gibson County, Indiana:

Tract 1:

A part of the Northwest Quarter (NW/4) of the Southeast Quarter (SE/4) of Section 6, Township 1 South, Range 9 West, Gibson County, Indiana, and described as follows: Beginning at the northeast corner of said quarter quarter section, and running thence south along the east line of said quarter quarter section 12.56 chains; thence west parallel to the north line thereof, 20.36 chains to the west line thereof; thence north along said west

line 12.56 chains to the northwest corner thereof, thence east along the north line thereof 20.32 chains to the place of beginning, except a strip of ground in the form of a parallelogram one rod in width off of the west side thereof, containing 25.24 acres, more or less.

Parcel ID No: 26-06-400-000.916-017  
Assessed Acreage: 25.240

Tract 2:

A part of the East Half of the Southwest Quarter of Section 6, Township 1 South, Range 9 West, bounded as follows: Beginning at the northeast corner of said half quarter section and running thence south 20 chains; thence west 10.25 chains; thence north to the north line of said half quarter section; thence east to the place of beginning, containing 20 acres, more or less.

Parcel ID No: 26-06-300-000.928.017  
Assessed Acreage: 16.56

Parcel ID No.: 26-06-06-300-000.200-017  
Assessed Acreage: 1.40

Tract 3:

ALSO, a part of the northeast quarter of the southwest quarter of Section Six (6), Township One (1) South, Range Nine (9) West, more particularly described as follows: Begin at an iron at the intersection of the north line of said quarter quarter section with the west property line of Roy G. and Orpha May Whitehouse, which iron is six hundred fifty-seven and four-tenths (657.40) feet east of the northwest corner of said quarter quarter section; and run thence south along said property line one hundred thirty-two (132) feet to an iron; thence west one hundred sixty-five (165) feet to an iron; thence north one hundred thirty-two (132) feet to an iron in the north line of said quarter quarter section; thence east along the north line of quarter quarter section one hundred sixty-five (165) feet to the place of beginning, and containing fifty one-hundredths (0.50) of an acre, more or less, but subject to the legal highways and rights-of-way now existing.

Parcel ID Nos. 26-06-300-000.917.017  
Assessed Acreage: 0.500

Tract 4:

ALSO, Part of the Southeast Quarter (SE/4) of the Northwest Quarter (NW/4) of Section 6, Township 1 South, Range 9 West, Gibson County, Indiana, and described as follows, to-wit: Beginning at a point on the south line of said quarter quarter section which said point is 27.44 rods

west of the southeast corner of said quarter quarter section, and from the point of beginning thus found, run thence north 4 rods and 6 feet, more or less, to the center line of a public improved highway (S.R. 65), and running thence southwesterly with the center line of said highway to the point of intersection of the center line of said highway with the south line of said quarter quarter section, and from said point of intersection, run thence east with the south line of said quarter quarter section to the point of beginning, containing 1.730 acres more or less.

Parcel ID Nos. 26-06-300-000.917.017

Assessed Acreage: 0.500

3. By virtue of the following conveyances, interests in the oil and gas underlying Tract 2 of the Lease were reserved for and during the natural life of the last survivor of Francis I. Wilson, Elizabeth E. Sanders, Ruby O. Hutchinson, Joe Whitehouse, and David Whitehouse:

A. By Warranty Deed from David Whitehouse and Elizabeth Sanders to Francis I. Wilson dated October 20, 1987, and recorded the same date as Document No. 87-5958;

B. By Warranty Deed from Ruby Olive Hutchinson to Francis I. Wilson dated June 21, 1989, and recorded June 22, 1989 as Document No. 89-3707;

C. By Warranty Deed from Joe Whitehouse to Francis I. Wilson dated February 7, 1990, and recorded the same date as Document No. 90-555; and

D. Quit Claim Deed dated March 13, 2003, and recorded March 14, 2003 as Document No. 200300002371, Francis I. Wilson conveyed the Subject Property, and other lands, to Roy G. Lindy, reserving a life estate in said lands.

Copies of the above-referenced deeds are attached collectively as Exhibit B.

4. Upon information and belief, Francis I. Wilson died March 29, 2004, in Gibson County, Indiana; Elizabeth E. Sanders died July 8, 2011, in Gibson County, Indiana; and Joe Whitehouse died on February 21, 2008. On information and belief, Ruby Olive Hutchinson and David "Bob" Whitehouse are still living, said individuals are hereinafter described as the "Life Tenants." The addresses and interests of the Life Tenants is shown on Exhibit C attached hereto.

5. By virtue of the above, the Life Tenants hold a life estate interest in the oil and gas underlying the Subject Property. Roy G. Lindy is the owner of the surface and the remainder interest in

the oil and gas underlying the Subject Property. Based on the above, ownership of the oil and gas underlying the lands described in the Lease are owned as follows:

Tract 1:

Roy G. Lindy ..... all

Tract 2:

Roy G. Lindy ..... all,

subject to life estates of Ruby Olive Hutchinson and  
David "Bob" Whitehouse

Tract 3:

Roy G. Lindy ..... all

Tract 4:

Roy G. Lindy ..... all

Tract 5:

Roy G. Lindy ..... all

6. Indiana Code 32-23-7-6 provides, in part, as follows:

Sec. 6. A grant or reservation contained in an instrument that affects land in Indiana and that purports to convey or transfer an interest in the oil and gas in, on, under, or that may be produced from beneath the surface of the land transfers the following expressed rights and privileges in addition to any other rights naturally flowing from the character of the instrument in law to the named recipient:

- (1) A person in interest in the oil and gas estate in land may enter the land for the purpose of:
  - (A) exploring, prospecting, testing, surveying, or otherwise investigating the land to determine the potential of the land for oil or gas production; or
  - (B) otherwise conducting operations for oil and gas on the land; whether or not the person is also the owner, lessee, or licensee of an owner of an interest in the surface rights in the land.

- (2) A person in interest in the oil and gas estate in land in Indiana may enter the land to drill a well or test well on the land for the production or attempted production of oil and gas regardless of whether the:
  - (A) person is also the owner, lessee, or licensee of an owner of an interest in the surface rights in the land; and
  - (B) owner of the remaining rights in the land consents to the entrance and drilling.

A person that drills a well under this subdivision shall provide an accounting to the remaining or nonparticipating persons in interest in the oil and gas estate in the land, for their respective proportionate shares of the net profits arising from the operations conducted upon the land for oil or gas. In calculating the profits, a reduction may not be made from the gross proceeds of the production of oil and gas, except for expenses that are reasonably or necessarily incurred in connection with the drilling, completion, equipping, and operation of the wells drilled upon the premises during the period in which the relationship of cotenancy existed between the person drilling the well and the person whose interest is sought to be charged with the respective proportionate part of the cost of the drilling.

7. Pursuant to the leasehold interest acquired from Roy G. Lindy, Petitioner has the authority to conduct operations upon and produce oil and gas from all tracts of the Subject Property under IC 32-23-7-6.

8. The Petitioner was granted Permit Number 55123 on November 3, 2014 on said lands and is prepared to drill and produce, oil and gas on the lands on the following described covered by the Permit. However, Petitioner has determined the ideal location to drill to most efficiently and economically recover oil and gas from the lands of the Lease is two hundred forty-four feet (244') South and Two Hundred Twenty-two feet West of the center of Section 6, Township 1 South, Range 9 West, as depicted on the proposed permit application attached hereto as Exhibit D.

9. The proposed well location is does not conform to established Drilling Unit provided by 312 IAC 16-5-2. Subsection (e) of said section provides the following:

An exception to drilling unit requirements may be authorized following an informal hearing under 312 IAC 16-2-3, if the exception is supported by unusual regional

or geological characteristics and is conducive to the most efficient and economical recovery of oil and gas.

10. In order for said location to conform with set-back requirements provided by 312 IAC 16-5-1, it will be necessary for the other remaining tracts contained within the lease, and the lease itself, to be treated as a unit.

11. The lands of the Lease are located within a pool or part of a pool suitable for secondary recovery methods.

12. Hydrocarbon Investments, Inc., has attempted to obtain a ratification of the Lease from the Life Tenants on terms identical to the lease executed by Roy G. Lindy, but has been unable to obtain agreement with the Life Tenants. The Life Tenants have objected to oil and gas operations upon the Subject Property due to concerns that oil and gas development would cause damage to a pond located upon the surface of the property contained within the lease.

13. Petitioner has made several attempts to come to agreement with the Life Tenants; such attempts being made on or about November of 2014. Said Life Tenants were contacted by Craig Kendall and said Life Tenants indicated they would not execute a lease due to concern that oil and gas operations would harm the lake on the property. Landman, Jack Onyett subsequently contacted the Life Tenants on behalf of Petitioner and again the lease request for refused.

14. Petitioner believes it to be in the best interest of all royalty owners, working interest owners and overriding interest owners to integrate the four tracts located within the interests as it will allow for economical and efficient development which reduces costs while also more effectively developing the oil and gas underlying those lands. Petitioner would propose that tracts of the lease shall share in the total production from the pooled unit which their interest bears to the entirety of the unit. Proposed participation factors are as follows:

<u>Tract</u>	<u>Tract Participation</u>	
	<u>Factor</u>	<u>Percent</u>
Tract 1	25.240/44.2	0.57104072%
Tract 2	17.96/44.2	0.40633484%
Tract 3	0.500/44.2	0.01131222%
Tract 4	0.500/44.2	0.01131222%
	TOTAL:	100%

15. Pending the granting of this petition, Petitioner is prepared to drill a well in the proposed pooled unit.

**WHEREFORE**, Petitioner respectfully requests:

A. An "Order for Integration of Interests" allowing for the exception to the spacing regulation and to integrate the separately owned interests in the oil and gas and associated hydrocarbons within the lands of the Lindy lease.

B. In the event the Division determines that it shall an Order for Integration of Interest is not warranted, that the Division allow for the exception to the spacing regulations and issue a permit to the operator under I.C. 32-23-7-6, allowing for an individuals to drill a well where the same possesses an interest in the underlying land.

C. C. Implement any further terms and provisions in accordance with the law of the State of Indiana as the Division may, in its discretion, deem desirable and proper.

Respectfully Submitted,

**HYDROCARBON INVESTMENTS, INC.**

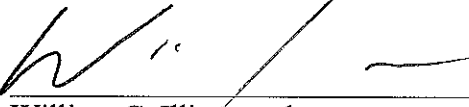
By:

  
 R. Craig Kendall,  
 President

**BASIN LAW GROUP LLP**

Attorneys and Representatives of Petitioner

By:



William C. Illingworth

Matthew J. Latowski

BASIN LAW GROUP LLP

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[mlatowski@basinlawgroup.com](mailto:mlatowski@basinlawgroup.com)



201400003916  
Filed for Record in  
GIBSON COUNTY, INDIANA  
DEBBIE S WETHINGTON, RECORDER  
09-12-2014 At 10:22:57 am.  
OG LEASE 21.00

201400003916  
ONYETT WELDING AND MACHINE  
409 NORTH 8TH ST  
PETERSBURG IN 47567

Instrument PG 1 OF 5  
201400003916

OIL AND GAS LEASE  
Indiana Form

Form-OG/P

THIS AGREEMENT made and entered into this 5<sup>th</sup> day of AUGUST, 2014,  
by and between Roy G. Lindy, a single man  
7044 N. State Road 65, Hazelton, IN 47640  
party of the first part, hereinafter called lessor (whether one or more) and Hydrocarbon Investments, Inc.  
7235 N. Green River Rd., Evansville, IN 47725,  
party of the second part, hereinafter called lessee.

WITNESSETH that Lessor, for and in consideration of Ten DOLLARS (\$ 10.00) cash in hand paid, the receipt of which is hereby acknowledged, and of the covenants and agreements hereinafter contained, has granted, demised, leased and let, and by these presents does grant, demise, lease and let exclusively unto said Lessee, its successors and assigns, the land hereinafter described, with the exclusive right for the purpose of drilling, exploring by geophysical and other methods, and operating for and producing therefrom oil, gas, casinghead gas, and the exclusive right of injecting water, brine and other fluids and gases into subsurface strata, with rights of way and easements for laying pipe lines, telephone lines, tanks, stations, gasoline plants, roadways, and fixtures for producing, treating, and caring for such products, and any and all other rights and privileges necessary, incident to, or convenient for the economical operation alone or conjointly with neighboring land, and to produce, save and take care of said products.

The land leased hereby is all that certain tract of land in the County of Gibson State of Indiana described as follows, to wit:

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF

of Section 6 Township 1 South Range 9 West, and containing 46.62 acres more or less.

It is intended hereby to include herein all lands and interests therein contiguous to or appurtenant to said described lands owned or claimed by lessor.

It is agreed that this lease shall remain in force for a term of One (1) year(s) from this date and as long thereafter as oil, gas, casinghead gas, or any of them is produced from said leased premises or operations for drilling are continued as hereinafter provided, or operations are continued for the injection or disposal of water, brine and other fluids into subsurface strata. Provided, however, that for injection or disposal purposes this lease shall continue in full force and effect only as to well or wells so used and the ten acres contiguous thereto.

In consideration of the premises the said lessee covenants and agrees:

1<sup>st</sup>. To deliver to the credit of lessor, free of cost, in the pipeline to which lessee may connect his wells, the equal one-eighth part of all oil produced and saved from the leased premises, or at the lessee's option, may pay to the lessor for such one-eighth royalty, the market price for oil of like grade and gravity prevailing on the day such oil is run into the pipeline or into storage tanks.

EXHIBIT "A"

2<sup>nd</sup>. To pay lessor one-eighth, at the market price at the well for the gas so used, for the gas from each well where gas only is found, while the same is being used off the premises, and lessor to have gas free of cost from any such well for all stoves and inside lights in the principal dwelling house on said land during the same time by making his own connections with the wells at his own risk and expense.

3<sup>rd</sup>. To pay lessor for gas produced from any oil well and used off the premises or for the manufacture of casing-head gas, one-eighth, at the market price at the well for the gas so used for the time during which such gas shall be used, said payments to be made monthly.

If said lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties and rentals herein provided shall be paid the lessor only in proportion which his interest bears to the whole and undivided fee.

Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for its operation thereon, except water from wells of lessor.

When requested by the lessor, lessee shall bury its pipelines below plow depth.

No well shall be drilled nearer than 200 feet to the house or barn on said premises, without the written consent of the lessor.

Lessee shall pay for damage caused by its operation to growing crops on said lands.

Lessee shall have the right at any time to remove all machinery and fixtures placed on said premises, including the right to draw and remove casing.

If the lessee shall commence to drill a well within the term of this lease or any extension thereof, the lessee shall have the right to drill such well to completion with reasonable diligence and dispatch, and if oil and gas, or either of them, be found in paying quantities, this lease shall continue and be in force with the like effect as if such well had been completed within the term of years herein, first mentioned.

If the estate of either party hereto is assigned and the privilege of assigning in whole or in part is expressly allowed, the covenants hereof shall extend to their heirs, executors, administrators, successors or assigns, but no change in the ownership of the land or assignment of rental or royalties shall be binding on the lessee until after the lessee has been furnished with a written transfer or assignment or a true copy thereof.

If the leased premises are now, or shall hereafter be, owned in severalty or in separate tracts, the premises nevertheless shall be developed and operated as one lease, and all royalties accruing hereunder shall be treated as an entirety and shall be divided among, and paid to such separate owners in the proportion that the acreage owned by each separate owner bears to the entire leased acreage: Provided however, if the leased premises consist of two or more non-abutting tracts this paragraph shall apply separately to each such non-abutting tract and further provided that if a portion of the leased premises is hereafter consolidated with other lands for the purpose of operating the consolidated tract as one lease this paragraph shall be inoperative as to such portion so consolidated.

~~Lessee is hereby given the right and power to pool or combine the acreage covered by this lease or any portion thereof with other land, lease or leases in the immediate vicinity thereof, when in lessee's judgment it is necessary or advisable to do so in order properly to develop and operate said premises in compliance with the spacing rules of any lawful authority, or when to do so would, in the judgment of the lessee, promote the conservation of the oil and gas in and under and that may be produced from said premises. Lessee shall execute in writing an instrument identifying and describing the pooled acreage. The entire acreage so pooled into a tract or unit shall be treated, for all purposes except the payment of royalties on production from the pooled unit as if it were included in this lease. If production is found on the pooled acreage, it shall be treated, as if production is had from this lease, whether the well or wells be located on the premises covered by this lease or not. In lieu of the royalties elsewhere herein specified, lessor shall receive or production from a unit so pooled only such portion of the royalty stipulated herein as the amount of his acreage placed in the unit or his royalty interest therein bears to the total acreage so pooled in the particular unit involved. Provided, lessee shall be under no obligation whatsoever, express or implied to drill more than one well to each such unitized tract, regardless of when, where or by whom offset wells may be drilled.~~

In the event gas is discovered on the leased premises, it is agreed that during any period when, after the discovery of gas on the leased premises, gas is not being sold on account of lack of market and if there is no apparent production or operation on said lands sufficient to keep this agreement in full force and effect, the Lessee may pay as royalty Fifty Dollars (\$50.00) per year for each shut-in gas well, and such payment will be considered as if gas is actually being produced within the terms and conditions of this oil and gas lease. Such payment shall be made annually in advance, within ninety (90) days following the completion of the well or the cessation of a market for gas. Such payment shall be paid or tendered to the lessor the depository bank to be specified by the Lessor. No rental shall accrue as to the leased premises during any period covered by a shut-in gas payment as herein provided. The shut-in gas payments herein provided for shall be considered advance royalties, and production from the leased premises during any annual period for which shut-in gas rental or royalty has been paid may be credited against such advance payment.

Lessor hereby warrants and agrees to defend the title to the lands herein described, and agrees that the lessee shall have the right at any time to redeem for lessor, by payment any mortgage, taxes or other liens on the above described lands, in the event of default of payment by lessor, and be subrogated to the rights of the holder hereof and lessor hereby agrees that any such payments made by the lessee for the lessor shall be deducted from any amounts of money which may become due the lessor under the terms of this lease.

Lessor hereby warrants that Lessor is not currently receiving any bonus, rental, or production royalty as the result of any prior oil and gas lease covering any or all of the above described land, and that there are no commercially producing wells currently existing on said land, or upon other lands within the boundaries of a drilling or production unit utilizing all or a part of the above described land.

Initials R.L. Initials \_\_\_\_\_

The undersigned Lessors, for themselves and their heirs, successors and assigns, hereby surrender and release all rights of dower and homestead in the premises herein described insofar as said rights of dower and homestead may in any way affect the purpose for which this lease is made as recited herein.

All express or implied covenants of this lease shall be subject to all Federal and State Laws and to all executive orders, rules or regulations of State and Federal authorities and this lease shall not be terminated, in whole or in part, nor lessee held liable for any failure to perform thereunder if such failure is due or is the result of any such law, order, rule or regulation, or is due to an act of God.

IN WITNESS WHEREOF IWE SIGN, this the 5 day of AUG. 2014.

Roy G. Lindy (SEAL) \_\_\_\_\_ (SEAL)  
Roy G. Lindy

\_\_\_\_\_  
(SEAL) \_\_\_\_\_ (SEAL)

\_\_\_\_\_  
(SEAL) \_\_\_\_\_ (SEAL)

I affirm, under the penalties for perjury, that I have taken reasonable care to redact each Social Security number in this document unless required by law. Craig Kendall  
This instrument was prepared by: Craig Kendall, 7235 N. Green River Rd., Evansville, IN 47725

## ACKNOWLEDGMENT TO THE LEASE

STATE OF INDIANA

SS.

COUNTY OF PIKE

I, the undersigned, a Notary Public in and for said County in the State aforesaid, do hereby certify that Roy G. Lindy personally known to me to be the same person(s) whose name(s) is/are subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he/she/they signed, sealed and delivered the said instrument as his/her/their free and voluntary act for the uses and purposes therein set forth, including the release and waiver of the right of homestead and dower.

Given under my hand this 5th day of August, 2014.

County of Residence PikeMy Commission Expires 12-20-17

Notary Public

Printed: Jamie B Williams

## ACKNOWLEDGMENT TO THE LEASE

STATE OF \_\_\_\_\_

SS.

COUNTY OF \_\_\_\_\_

I, \_\_\_\_\_, Notary Public in and for said County in the State aforesaid, do hereby certify that \_\_\_\_\_ personally known to me to be the same person(s) whose name(s) is/are subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he/she/they signed, sealed and delivered the said instrument as his/her/their free and voluntary act for the uses and purposes therein set forth, including the release and waiver of the right of homestead and dower.

Given under my hand this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

County of Residence \_\_\_\_\_

My Commission Expires \_\_\_\_\_

Notary Public

Printed: \_\_\_\_\_



## EXHIBIT 'A'

Attached to and made a part of Oil and Gas Lease dated \_\_\_\_\_, 20\_\_\_\_,  
By and between Roy G. Lindy and Hydrocarbon Investments, Inc., to-wit:

Part of the Northwest quarter of the Southeast quarter of Section 6, township 1 south, range 9 west, and described as follows: Beginning at the northeast corner of said quarter quarter section, and running thence south along the east line of said quarter quarter section 12.56 chains; thence west parallel to the north line thereof, 20.36 chains to the west line thereof; thence north along said west line 12.56 chains to the northwest corner thereof; thence east along the north line thereof 20.32 chains to the place of beginning, except a strip of ground in the form of a parallelogram one rod in width off of the west side thereof, and containing 25.24 acres, more or less; together with a right-of-way for road purposes along said tract above excepted;

ALSO, part of the southeast quarter of the northwest quarter of Section 6, township 1 south, range 9 west, and described as follows: Beginning at the southwest corner of said quarter quarter section, running thence north along the west line thereof 11.24 chains; thence east parallel to the north line thereof, 16.38 chains; thence south 94 links; thence east 4.00 chains to the east line thereof; thence south along said east line 6.36 chains; thence west parallel to the south line thereof 10 chains; thence south 4.00 chains to the south line thereof; thence west along said south line 10.36 chains to the place of beginning, and containing 18.63 acres, more or less;

ALSO, a part of the southeast quarter of the northwest quarter of Section 6, township 1 south, range 9 west, and described as follows: Beginning at the southeast corner of said quarter quarter section, and running thence west 40 rods; thence north 16 rods; thence east 40 rods; thence south 16 rods to the place of beginning, containing 4 acres, more or less;

EXCEPTING FROM THE last two-described tracts, the following described tracts:

A part of the northwest quarter of Section 6, township 1 south, range 9 west, bounded as follows: Begin at the southeast corner of said quarter section and from said point of beginning run thence west 27.44 rods; thence north 4 rods and 6 feet to the center of a public improved highway; thence in a northeasterly direction and following the said line of said highway to the east line of said quarter section; thence south along the east line of said quarter section 7 rods and 10 feet to the place of beginning, containing 1 acre, more or less; EXCEPTING the oil and gas underlying said tract; and SUBJECT to a right of way 16 feet in width along the east side of said tract;

(b) A part of the southeast quarter of the northwest quarter of Section 6, township 1 south, range 9 west, described as follows, to-wit: Beginning at the southeast corner of said quarter quarter section, and running thence north 7 rods and 8 feet to the center of State Highway No. 65; this to be the beginning of the land herein described; thence west 20 feet; thence north 33 rods; thence east 20 feet; thence south 33 rods to the place of beginning, containing one-fourth (1/4) acre, more or less.

201400004804  
Filed for Record in  
GIBSON COUNTY, INDIANA  
DEBBIE S WETHINGTON, RECORDER  
11-07-2014 At 02:27:25 pm.  
AMEND OF LS 20.00

201400004804  
HYDROCARBON INVESTMENTS INC  
7235 N GREEN RIVER RD  
EVANSVILLE IN 47725-7322

Instrument PG 1 OF 4  
201400004804

(Recorders Data Only)

**FIRST AMENDMENT  
TO OIL AND GAS LEASE**

*Wet*  
**WHEREAS**, Roy G. Lindy, a single man, as Lessor, and Hydrocarbon Investments, Inc., as Lessee, entered into that certain Oil and Gas Lease dated August 5, 2014, which was recorded in the Office of the Recorder of Gibson County, Indiana, on August 12, 2014, as Document Number 201400003916 (hereinafter the "Oil and Gas Lease").

**WHEREAS**, after the execution of the Oil and Gas Lease, the parties discovered an error in the legal description provide in the Oil and Gas Lease and, therefore, the parties hereto desire to amend the legal description of the lands covered by the Oil and Gas Lease.

**WHEREFORE**, the parties agree that the Oil and Gas Lease shall be amended to cover the following described lands:

A part of the Northwest Quarter (NW/4) of the Southeast Quarter (SE/4) of Section 6, Township 1 South, Range 9 West, Gibson County, Indiana, and described as follows: Beginning at the northeast corner of said quarter quarter section, and running thence south along the east line of said quarter quarter section 12.56 chains; thence west parallel to the north line thereof, 20.36 chains to the west line thereof; thence north along said west line 12.56 chains to the northwest corner thereof, thence east along the north line thereof 20.32 chains to the place of beginning, except a strip of ground in the form of a parallelogram one rod in width off of the west side thereof, containing 25.24 acres, more or less.

Parcel ID No: 26-06-400-000.916-017  
Assessed Acreage: 25.240

A part of the East Half of the Southwest Quarter of Section 6, Township 1 South, Range 9 West, bounded as follows: Beginning at the northeast corner of said half quarter section and running thence south 20 chains; thence west 10.25 chains; thence north to the north line of said half quarter section; thence east to the place of beginning, containing 20 acres, more or less.

Parcel ID No: 26-06-300-000.928.017  
Assessed Acreage: 16.56

Parcel ID No.: 26-06-06-300-000.200-017  
Assessed Acreage: 1.40

ALSO, a part of the northeast quarter of the southwest quarter of Section Six (6), Township One (1) South, Range Nine (9) West, more particularly described as follows: Begin at an iron at the intersection of the north line of said quarter quarter section with the west property line of Roy G. and Orpha May Whitehouse, which iron is six hundred fifty-seven and four-tenths (657.40) feet east of the northwest corner of said quarter quarter section; and run thence south along said property line one hundred thirty-two (132) feet to an iron; thence west one hundred sixty-five (165) feet to an iron; thence north one hundred thirty-two (132) feet to an iron in the north line of said quarter quarter section; thence east along the north line of quarter quarter section one hundred sixty-five (165) feet to the place of beginning, and containing fifty one-hundredths (0.50) of an acre, more or less, but subject to the legal highways and rights-of-way now existing.

Parcel ID Nos. 26-06-300-000.917.017  
Assessed Acreage: 0.50

ALSO, Part of the Southeast Quarter (SE/4) of the Northwest Quarter (NW/4) of Section 6, Township 1 South, Range 9 West, Gibson County, Indiana, and described as follows, to-wit: Beginning at a point on the south line of said quarter quarter section which said point is 27.44 rods west of the southeast corner of said quarter quarter section, and from the point of beginning thus found, run thence north 4 rods and 6 feet, more or less, to the center line of a public improved highway (S.R. 65), and running thence southwesterly with the center line of said highway to the point of intersection of the center line of said highway with the south line of said quarter quarter section, and from said point of intersection, run thence east with the south line of said quarter quarter section to the point of beginning, containing 1.730 acres more or less.

Parcel ID Nos. 26-06-300-000.918.017  
Assessed Acreage: 0.50

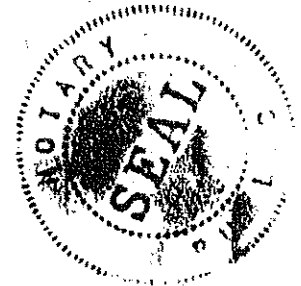
IN WITNESS WHEREOF, the parties hereto have executed this First Amendment to Oil and Gas Lease to be effective as of the date of the Oil and Gas Lease.

[SIGNATURE PAGES TO FOLLOW]

Dated: 10-30-14Roy G. Lindy  
Roy G. LindySTATE OF Indiana )  
COUNTY OF Vanderburgh ) SS:

I, the undersigned, a notary public in and for said County and State, do hereby certify that Roy G. Lindy, personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his free and voluntary act for the uses and purposes therein set forth, including the release and waiver of the right of homestead.

Given under my hand and official seal this 30 day of October, 2014.

Lana R. Barkman  
NOTARY PUBLIC (signed name)My Comm. Expires: Aug. 7, 2022  
County of Residence: VanderburghLANA R. BARKMAN  
NOTARY PUBLIC (printed name)



## HYDROCARBON INVESTMENTS, INC.

Dated: 10/30/2014By: R. Craig KendallR. Craig Kendall,  
PresidentSTATE OF Indiana )  
COUNTY OF Vanderburgh ) SS:

I, the undersigned a Notary Public, in and for the said County and State aforesaid, do hereby certify that R. Craig Kendall, personally known to me to be the President of HYDROCARBON INVESTMENTS, INC., and who is personally known to me to be the same person whose name is subscribed to the foregoing instrument appeared before me this day in person and acknowledged that he/she signed, sealed and delivered the said instrument of writing as his/her free and voluntary act, and as the free and voluntary act of the said limited liability company for the uses and purposes therein set forth, pursuant to authority given by the Operating Agreement of said company.

Given under my hand and seal this 30 day of October, 2014.

Lana R. Barkman  
NOTARY PUBLIC (sign name)

County of Residence: Vanderburgh  
My Comm. Expires: Aug. 7, 2022

LANA R. BARKMAN  
NOTARY PUBLIC (print name)

I affirm under the penalties for perjury that I have taken reasonable care to redact each social security number in this document unless required by law.

Craig Kendall  
(sign name)  
CRAIG KENDALL  
(print name)

THIS INSTRUMENT WAS PREPARED BY/  
UPON RECORDING RETURN DOCUMENT TO:

William C. Illingworth  
Basin Law Group  
508 Main Street, Suite A  
Evansville, Indiana 47708  
Telephone: (812) 421-1800



**Warranty Deed**

87-5958

THIS INDENTURE WITNESSETH, That DAVID WHITEHOUSE and ELIZABETH E. SANDERS

of Gibson County, in the State of Indiana Convey and Warrant  
FRANCIS I. WILSON

of Gibson County, in the State of Indiana for and in consideration of the sum of  
One Dollar (\$1.00-----)

the receipt whereof is hereby acknowledged, the following described Real Estate in Gibson County,  
in the State of Indiana, to-wit:

All of the interest of the Grantors herein in and to the following described real estate:

A part of the East half of the southwest quarter of Section 6, township 1 south, range 9 west, bounded as follows: Beginning at the northeast corner of said half quarter section and running thence south 20 chains; thence west 10.25 chains, thence north to the north line of said half quarter section; thence east to the place of beginning, containing approximately 20 acres, more or less.

Grantors reserve unto themselves, their heirs, successors and assigns all oil and gas lying in and under said real estate for and during the natural life of the last surviving child of Orpha May Whitehouse, deceased. Said children are Francis I. Wilson, Elizabeth E. Sanders, Ruby O. Hutchinson, Joe Whitehouse and David Whitehouse.

JULY EIGHTEEN FOUR NINETEEN

This 20 day of Oct

A. D. 19 87

H. C. ...  
AUCTION GIBSON CO

NOTARY PUBLIC  
GIBSON COUNTY, IN  
JULY EIGHTEEN FOUR NINETEEN  
OF 19 87  
AT 1:00 P. M.  
GIBSON COUNTY, IN  
JULY EIGHTEEN FOUR NINETEEN  
GIBSON COUNTY, IN

In Witness Whereof, The said DAVID WHITEHOUSE and ELIZABETH E. SANDERS

have hereunto set their hands and seals, this 20th day of October 1987

David Whitehouse (Seal) Elizabeth E. Sanders (Seal)  
DAVID WHITEHOUSE ELIZABETH E. SANDERS

(Seal) (Seal)

(Seal) (Seal)

STATE OF INDIANA, Gibson COUNTY, IN:

Before me, the undersigned, a Notary Public in and for said County, this

20th day of October 19 87, came

DAVID WHITEHOUSE and ELIZABETH E. SANDERS

, and acknowledged the execution of the foregoing instrument.

Witness my hand and official seal.

My Commission expires Sept 7, 1991

This instrument prepared by: Jerry D. Stillwell, Attorney

Jerry D. Stillwell Notary Public  
Resident of  
Gibson County,  
Indiana

EXHIBIT "B"

89-3707

## WARRANTY DEED

THIS INDENTURE WITNESSETH, That RUBY OLIVE HUTCHINSON  
 "Grantor") of Posey County in the State of Indiana CONVEYS AND  
 WARRANTS to FRANCIS I. WILSON ("Grantee") of Gibson County in the  
 State of Indiana, for and in consideration of the sum of One  
 dollar (\$1.00) the receipt whereof is hereby acknowledged, the  
 following described Real Estate in Gibson County, in the State of  
 Indiana, to-wit:

All of the interest of the Grantor herein in and to the  
 following described real estate:

A part of the East half of the southwest quarter of Section  
 6, township 1 south, range 9 west, bounded as follows:  
 Beginning at the northeast corner of said half quarter sec-  
 tion and running thence south 20 chains; thence west 10.25  
 chains, thence north to the north line of said half quarter  
 section; thence east to the place of beginning, containing  
 approximately 20 acres, more or less.

Grantor reserves unto herself her heirs, successors and  
 assigns all oil and gas lying in and under said real estate  
 for and during the natural life of the last surviving child  
 of Orpha May Whitehouse, deceased. Said children are  
 Francis I. Wilson, Elizabeth E. Sanders, Ruby O. Hutchinson,  
 Joe Whitehouse and David Whitehouse.

IN WITNESS WHEREOF, the said RUBY OLIVE HUTCHINSON has  
 hereunto set her hand and seal, this 21 day of June, 1989.

Ruby Olive Hutchinson  
 RUBY OLIVE HUTCHINSON

STATE OF INDIANA, Gibson COUNTY, SS:

Before me, a Notary Public in and for said County and State,  
 this 21 day of June, 1989, came RUBY OLIVE HUTCHINSON, and  
 acknowledged the execution of the foregoing instrument.

WITNESS, my hand and official seal.

My Commission Expires:

October 14, 1989

Kelly A. Thompson  
 Notary Public  
Kelly A. Thompson  
 Printed Name of Notary

Gibson  
 County of Residence

THIS INSTRUMENT PREPARED BY JERRY D. STILWELL, ATTORNEY AT LAW

Send tax duplicates to: Francis I. Wilson,  
 R.R. # 1  
 Hazleton, IN 47640

kt/misc#5 JULY ENTERED FOR TAXATION  
 This 22 day of June  
 A.D. 19 89 Fee  
Conrad Myers  
 AUDITOR GIBSON CO

STATE OF INDIANA  
 GIBSON COUNTY  
 FILED FOR RECORD THIS 22 DAY  
 OF June A.D. 19 89  
 AT 7:37 P.M. A.M.  
 DULY RECORDED IN Book  
 DRAWER NO. 6 CARD NO.  
Russell Kern  
 COUNTY RECORDER FEE 5.00

## WARRANTY DEED

90-555

THIS INDENTURE WITNESSETH, That JOE WHITEHOUSE ("Grantor") of Gibson County in the State of Indiana, CONVEYS and WARRANTS to FRANCIS I. WILSON, ("Grantee") of Gibson County in the State of Indiana, for and in consideration of the sum of One Dollar (\$1.00) the receipt whereof is hereby acknowledged, the following described Real Estate in Gibson County, in the State of Indiana, to-wit:

All of the interest of the Grantors herein in and to the following describe real estate:

A part of the East half of the southwest quarter of Section 6, Township 1 south, range 9 west, bounded as follows: Beginning at the northeast corner of said half quarter section and running thence south 20 chains; thence west 10.25 chains, thence north to the north line of said half quarter section; thence east to the place of beginning, containing approximately 20 acres, more or less.

Grantor reserves unto himself, his heirs, successors and assigns all oil and gas lying in and under said real estate for and during the natural life the the last surviving child of Orpha May Whitehouse, deceased. Said children are Francis I. Wilson, Elizabeth E. Sanders, Ruby O. Hutchinson, Joe Whitehouse and David Whitehouse.

IN WITNESS WHEREOF, the said JOE WHITEHOUSE has hereunto set his hand and seal, this 7 day of February, 1990.

Joe Whitehouse  
JOE WHITEHOUSE

STATE OF INDIANA, GIBSON COUNTY, ss:

Before me, a Notary Public in and for said County and State, this 7 day of February, 1990, came JOE WHITEHOUSE, and acknowledged the execution of the foregoing instrument.

WITNESS, my hand and official seal.

Kelly A. Thompson  
Notary Public

My Commission Expires:

Kelly A. Thompson  
Printed Name of Notary

2/23/93

Gibson  
County of Residence

THIS INSTRUMENT PREPARED BY JERRY D. STILWELL, ATTORNEY AT LAW

Send tax duplicates to: Francis I. Wilson  
R.R.# 1  
Hazleton, IN 47640

ONLY ENTERED FOR TAXATION

This 7 day of Feb

A. D. 1990

Anne D. Myers

STATE OF INDIANA  
GIBSON COUNTY  
FILED FOR RECORD THIS 7 DAY  
OF Feb A.D. 1990  
AT 11:30 A.M.  
DULY RECORDED IN Book  
DRAWN NO. 7 C.D. NO.  
Russell Kern  
COUNTY RECORDER FEE 5.00

200300002371  
 Filed for Record in  
 GIBSON COUNTY, INDIANA  
 BECKY WOODBURN  
 03-14-2003 At 10:00:42 am.  
 QUIT CLAIM 18.00

200300002371  
 BAMBERGER FOREMAN OSWALD & WAHN  
 302 NORTH PRINCE STREET  
 PRINCETON, IN 47570

**QUITCLAIM DEED**

THIS INDENTURE WITNESSETH, That FRANCIS I. WILSON (Grantor)  
 of Gibson County, in the State of Indiana QUITCLAIMS to ROY G.  
 LINDY (Grantee), of Gibson County, Indiana, for and in  
 consideration of the sum of One Dollar (\$1.00) the receipt  
 whereof is hereby acknowledged, the following described Real  
 Estate in Gibson County, in the State of Indiana, to-wit:

A part of the East half of the southwest quarter of Section  
 6, township 1 south, range 9 west, bounded as follows:  
 Beginning at the northeast corner of said half quarter  
 section and running thence south 20 chains; thence west  
 10.25 chains; thence north to the north line of said half  
 quarter section; thence east to the place of beginning,  
 containing approximately 20 acres, more or less.

ALSO, a part of the southwest quarter of Section six (6),  
 township one (1) south, range nine (9) west, bounded as  
 follows: beginning at the southwest corner of said quarter  
 section and run thence north 48 rods; thence east 20 rods;  
 thence south to the south line of said quarter; thence west  
 20 rods to the place of beginning, containing 6 acres, more  
 or less.

ALSO, part of the Northwest quarter of the Southeast quarter  
 of Section 6, township 1 south, range 9 west, and described  
 as follows: Beginning at the northeast corner of said  
 quarter quarter section, and running thence south along the  
 east line of said quarter quarter section 12.56 chains;  
 thence west parallel to the north line thereof, 20.36 chains  
 to the west line thereof; thence north along said west line  
 12/56 chains to the northwest corner thereof, thence east  
 along the north line thereof 20.32 chains to the place of  
 beginning, except a strip of ground in the form of a  
 parallelogram one rod in width off of the west side thereof,  
 and containing 25.24 acres, more or less, together with a  
 right-of-way for road purposes along said tract above  
 excepted.

ALSO, a part of the northeast quarter of the southwest  
 quarter of Section six (6), Township one (1) south, Range  
 nine (9) west, more particularly described as follows:  
 Begin at an iron at the intersection of the north line of  
 said quarter quarter section with the west property line of  
 Roy G. and Orpha May Whitehouse, which iron is six hundred  
 fifty-seven and four-tenths (657.4) feet east of the  
 northwest corner of said quarter quarter section; and run

DULY ENTERED FOR TAXATION  
 Subject to final acceptance for transfer  
 17 day of APRIL 2003  
 [Signature] Auditor  
 Gibson County  
 Parcel # \_\_\_\_\_

**EXHIBIT "C"**

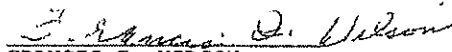
thence south along said property line one hundred thirty-two (132) feet to an iron; thence west one hundred sixty-five (165) feet to an iron; thence north one hundred thirty-two (132) feet to an iron in the north line of said quarter quarter section; thence east along the north line of said quarter quarter section one hundred sixty-five (165) feet to the place of beginning, and containing fifty one-hundredths (0.50) of an acre, more or less; but subject to the legal highways and rights-of-way now existing.

ALSO, a part of the E 1/2 of the SW 1/4 of Sec. 6, Township 1 South, Range 9 west, bounded as follows: Begin at the NE corner of said half ¼ section and running thence S. 20 chains; thence West 3.41 chains; thence North to the North line of said half ¼ Section; thence East to the place of beginning, containing in the whole Six and Two-Thirds (6 2/3) acres, more or less.

ALSO, a part of the southeast quarter of the northwest quarter of Section 6, township 1 south, range 9 west in Gibson County, Indiana, described as follows, to-wit: Beginning at a point on the south line of said quarter quarter section which said point is 27.44 rods west of the southeast corner of said quarter quarter section, and from the point of beginning thus found, run thence north 4 rods and 6 feet, more or less, to the center line of a public improved highway (S.R. 65), and running thence southwesterly with the center line of said highway to the point of intersection of the center line of said highway with the south line of said quarter quarter section, and from said point of intersection, run thence east with the south line of said quarter quarter section to the point of beginning.

Grantor, Francis I. Wilson, saves and reserves unto herself a life estate in and to said real estate for and during her natural life time.

IN WITNESS WHEREOF, the said Francis I. Wilson has hereunto set her hand and seal, this 13<sup>th</sup> day of March, 2003.


  
FRANCIS I. WILSON

STATE OF INDIANA, Gibson County, ss:

Before me, a Notary Public in and for said County and State, this 13<sup>th</sup> day of March, 2003, came Francis I. Wilson, and acknowledged the execution of the foregoing Quitclaim Deed.

WITNESS, my hand and official seal.

My Commission Expires:  
August 27, 2007  
County of Residence: Gibson

  
Notary Public  
Patricia J. Rispone  
Printed Name of Notary

THIS INSTRUMENT PREPARED BY JERRY D. STILWELL, ATTORNEY AT LAW

Send tax duplicates to: Francis I. Wilson  
R.R. #1 Box 179  
Hazleton, IN 47640



**FEE OWNERSHIP OF OIL AND GAS INTERESTS OF ROY LINDY #1**

Owner

Interest

Ruby O. Hutchinson  
10340 Highway 68  
Cynthiana, IN 47612

Joint Tenancy in Life Estate of 4/5 with  
David "Bob" Whitehouse;

David "Bob" Whitehouse  
10340 Highway 68  
Cynthiana, IN 47612

Joint Tenancy in Life Estate of 4/5 with  
Ruby O. Hutchinson;

Roy G. Lindy  
7044 N. State Road 65  
Hazelton, IN 47640

Fee Ownership of 1/5;  
Remainder interest in 4/5 after death of  
survivor of Ruby O. Hutchinson &  
David "Bob" Whitehouse





## APPLICATION FOR WELL PERMIT

State Form 21096 (R2 / 8-12) / Form A1  
Approved by State Board of Accounts, 2012

### INDIANA DEPARTMENT OF NATURAL RESOURCES

Division of Oil and Gas

402 W. Washington St., Rm. 293

Indianapolis, IN 46204

Telephone number: (317) 232-4055

FAX number: (317) 232-1560

Internet: <http://www.in.gov/dnr/dnroil>

### FOR STATE USE ONLY

Application number <b>049627</b>	Permit number <b>55123</b>
Date received <b>10/3/14</b>	Date approved <b>11/3/2014</b>
IGS ID No. <b>167212</b>	Approved by <i>[Signature]</i>
IGS Samples <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	IGS Pool Name <b>WSC</b>

### PART I

### GENERAL INFORMATION

Name of operator <b>Hydrocarbon Investments, Inc.</b>	Telephone number <b>(812) 453 - 8378</b>	FAX number <b>(812) 867 - 8012</b>
Address of operator (Street or PO Box) ( <input type="checkbox"/> Check here if this is a new address ) <b>7235 N. Green River Road</b>		
City <b>Evansville</b>	State <b>Indiana</b>	ZIP code <b>47725 - 7322</b>
Send permit to (Enter name and address) <b>Hydrocarbon Investments, Inc., 7235 N. Green River Road, Evansville, IN 47725</b>	Telephone number <b>(812) 453 - 8378</b>	FAX number <b>(812) 867 - 8012</b>

☐ Check here if you would like to have the permit sent via FAX or email. Email address: **@**

☐ Expedite: Please check here and submit a total permit fee of \$750 to request 2 day processing

**NOTE: Expediting not available for Class II and Non commercial gas applications**

Applicant is (Check one only) ☐ Individual ☐ Partnership ☐ Public corporation  
☐ Limited liability company ☒ Corporation ☐ Limited partnership

**NOTE:** Corporations, limited partnerships and limited liability companies must register with the Secretary of State for further information about registration, contact the Corporations Division, Secretary of State at (317) 232-6576

Type of bond (Check one only)

☐ Surety bond ☒ Check  
☐ Blanket bond ☐ Personal surety bond (Valid for Non-commercial gas wells only)  
☐ Certificate of deposit ☐ Bond not required per IC 14-37-6-1

**NOTES:** A bond must accompany this application unless the operator has a valid blanket bond on file with the division or is exempt from bonding per IC 14-37-6-1. All bonds must be originals and an original Verification of Certificate of Deposit form must accompany CDs. Checks must be certified. The bond amount for individual wells is \$2,500 and for blanket bonds is \$45,000.

Well type (Check one only)

- ☒ Oil (Complete PARTS I thru IVa, VI and VII)  
☐ Gas (Complete PARTS I thru IVa, VI and VII)  
☐ Coal Bed Methane (Complete PARTS I thru IVa, VI and VII and Submit Form A12 - Coal Owner Affidavit and Consent)  
☐ Class II Enhanced Recovery (Complete PARTS I, II, IVb, V, VI, and VII)  
☐ Class II Saltwater Disposal (Complete PARTS I, II, IVb, V, VI, and VII)  
☐ Non-commercial gas (Complete PARTS I thru IVa, VI and VII)  
☐ Geologic/ Structure test (Complete PARTS I, II, IVa, VI, and VII)  
☐ Gas storage or observation (Complete PARTS I thru IVa, IVc, VI, and VII)  
☐ Non potable water supply (Complete PARTS I thru IVa, IVd, VI, and VII)  
☐ Dual completion for Oil and Class II injection only (Complete PARTS I thru IVb, V, VI, and VII)  
☐ Dual completion for Gas and Class II injection only (Complete PARTS I thru IVb, V, VI, and VII)

Application type (Check no more than two)

- ☒ New well  
☐ Old well workover  
☐ Old well deepening  
☐ Horizontal well sidetracking  
☐ Conversion  
☐ Change of location
- ☐ Change of operator (Complete PARTS I, II, VI and VII indicating lease lines and drilling unit boundaries, only unless another application type is also checked)  
☐ Permit renewal (Complete PARTS I, II and VI only unless another application type is also checked)  
**Note: A \$250 permit fee is required except for expedited permits, which require a \$750 fee.**

Fee Payment Method: ☒ Check ☐ Credit Card (Attach credit card information on separate page or provide contact number: (812) 453 - 8378)

Former operator (If applicable)

Former Permit number (If applicable)

ULI 3 2014

Continued on next page  
EXHIBIT "D"

**PART II SURFACE LOCATION AND LEASE INFORMATION**

Name of lease Roy Lindy					Well number 1		Elevation (G.L.) 508.6 feet	
Township 1 South	Range 9 West	Land Type >Select One< Land Number: 6	1/4 NE	1/4 NE	1/4 SW	Footages: 330 ft. from <input checked="" type="checkbox"/> N, <input type="checkbox"/> S, <input type="checkbox"/> NW, <input type="checkbox"/> SE line 330 ft. from <input type="checkbox"/> E, <input checked="" type="checkbox"/> W, <input type="checkbox"/> NE, <input type="checkbox"/> SW line		
County Gibson		Distance to the nearest well capable of production from the same zone in which this well will be completed: 1320 feet						
Drilling unit acreage (Check one only) <input type="checkbox"/> 5 acres <input checked="" type="checkbox"/> 20 acres <input type="checkbox"/> 10 acres <input type="checkbox"/> 40 acres <input type="checkbox"/> NRC Bulletin 58: _____ acres (Include map of waterflood or voluntary pooling unit) <input type="checkbox"/> Other _____ acres (Attach unit exception or petition for exception and supporting documentation)					<input type="checkbox"/> Check here if acreage is communitized (pooled)  NOTE: Attach a copy of the unit agreement or declaration of pooling. If previously submitted identify the permit number under which it was submitted: <b>Permit No.</b>			
Lease acreage 42 Acres		Does operator own or control the rights to drill and produce oil and/or natural gas or coal bed methane in and under all land(s) within the drilling unit boundary and the lease acreage herein indicated and shown on the attached Survey? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, explain the basis upon which the operator claims the right to drill and produce oil and/or natural gas and/or coal bed methane under this permit:						
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Does this application include a Notice of Intent to Survey and proof of delivery to the surface owner? Name of Surface Owner: Roy Lindy						

**PART III PROPOSED WELL CONSTRUCTION**

<input type="checkbox"/> Check here and go to PART IV if the well presently exists and the construction will not change								
Enter casing strings from largest to smallest and enter the cement information on successive rows for a casing string that will be set using multiple cement stages.								
Casing Size (OD)	Casing Type	Casing Bottom	Casing Top	Hole Size	Cement Type	Cement Volume	Volume Type	Cement Yield
8.625	Surface	40 ft.	0 ft.	12.25	Class A	40	Sacks	1.18
5.5	Long String	3500 ft.	0 ft.	7.875	Self Stress 10/10	600	Sacks	1.7
		ft.	ft.					
		ft.	ft.					
Packer setting depth _____ ft.				Centralizers at _____ ft. _____ ft. _____ ft. _____ ft.				
Packer setting depth _____ ft.				Casing perforated From _____ ft. to _____ ft.				
Packer setting depth _____ ft.				From _____ ft. to _____ ft.				
				From _____ ft. to _____ ft.				
				From _____ ft. to _____ ft.				

**PART IV DRILLING AND OPERATIONAL INFORMATION**

<b>Section a All Wells</b>	
Declination type (Check one only) <input checked="" type="checkbox"/> Vertical <input type="checkbox"/> Directional <input type="checkbox"/> Horizontal	
Note: For Directional & Horizontal wells the surface spot and termination point of the well must be shown on the survey.	
Proposed total vertical depth 3500 feet (All wells)	Proposed measured length _____ feet (Horizontal wells only)
Name of deepest formation to be drilled Devonian	
<input checked="" type="checkbox"/> Pool (Name): Union Bowman Consolidated Or <input type="checkbox"/> Wildcat	
<b>Section b Injection Wells</b>	
Proposed Maximum Injection Pressure (MIP) measured in PSI at the wellhead	Proposed injection rate measured in barrels of water per day
NOTE: Calculated Injection Pressure (MIP) is based on the formula $10.8 \text{ psi/ft} \times 10.432 \text{ bbl/d} \times (\text{specific gravity}) \times \text{depth}$ . If you are applying for a service company acid or fracture job that shows an instantaneous injection rate test that has a minimum of 2 stages and a breakdown pressure. The data must be from a well that is located in the same field as the injection well and be less than 10 years old to be considered.	
<b>Section c Gas Storage/ Observation Wells</b>	
Injection/ withdrawal interval From _____ ft. to _____ ft.	Injection/ withdrawal formation
Observation interval From _____ ft. to _____ ft.	Observation formation
<b>Section d Non-Potable Water Supply Wells</b>	
Water withdrawal interval From _____ ft. to _____ ft.	Withdrawal amount (Gallons per day)
	Withdrawal formation

Continued on the next page

PART VI AFFIRMATION	
I affirm under penalty of perjury that the information provided in this application is true to the best of my knowledge and belief.	
Typed or printed name of operator or authorized agent <b>Hydrocarbon Investments, Inc., by Craig Kendall, President</b>	
Signature of operator or authorized agent <i>Craig Kendall, President</i>	Date signed (month, day, year) <b>9-23-14</b>

### SPECIAL REQUIREMENTS

1. Only those individuals whose signatures appear in PARTS V and VI of the Organizational Report may sign this form.
2. The name of the operator on this application and the name of the principal on the bond **must** be identical.
3. If you are applying for a Change of Operator permit you are certifying that you have conducted a good faith search for the current operator and said operator could not be located.
4. If you are applying for a new well permit, do not forget to include the **Notice of Intent to Survey** and proof of service required under IC 32-23-7-6.5 that must be sent to the surface owner at least five (5) days prior to entering onto the property for the purpose of surveying the well location. An example of the notice is available on the division's website under Publications/Notices and Examples.

### APPLICATION REMINDERS

#### **PART I:**

- Enter the name of the operator exactly as it appears on the Organizational Report.
- If you want to have a copy of the permit certificate faxed to you please check the appropriate box.
- If you want to request an expedited permit please check the appropriate box and attach a \$750 permit fee.
- Don't forget to register with the Indiana Secretary of State if you will operate as a Corporation, Limited Liability Company or Limited Partnership.
- Don't forget to attach the \$250 permit fee or \$750 permit fee for expedited permits.
- If a Certificate of Deposit is selected as the Bond Type, don't forget to attach the original CD and original Verification of Certificate form.

#### **PART II**

- If the well will be an oil, gas or coal bed methane well be sure to indicate the distance to the nearest well capable of production from the same formation for which this permit is to be issued and make sure you check the rule requirements on well spacing to avoid placing the well an insufficient distance from an existing well.
- If you check the communitized box you must attach a copy of the pooling agreement or specify the permit number for the well under which the pooling agreement was previously submitted.
- "NRC Bulletin 58" – NRC Bulletin 58 refers to the current "non-rule policy document" adopted by the Natural Resources Commission effective 6/11/2008. The document is titled "Oil and Gas Drilling Unit and Well Spacing Requirements for Horizontal Wells" and may be viewed on the division's website under Publications/Notices and Examples. Select this option if you are proposing to drill a horizontal well and identify the total drilling unit acres to be assigned to the well as provided in NRC Bulletin 58.
- If you check the Other box under the Drilling Unit section make sure to attach a copy of the exception.
- You must indicate that you own or control all of the oil and gas within the proposed drilling unit before a permit can be issued. If you do not own or control all of the oil and gas within the proposed drilling unit you must describe the basis upon which you claim the right to drill and operate a well for oil and gas purposes.

#### **PART III**

- This part is used by the division to determine if your proposed well construction will meet the rule requirements. Please be sure to enter all information about the proposed construction so that it can be evaluated accurately.

#### **PART IV**

- For all wells make sure to specify a proposed total vertical depth, deepest formation name and pool name.
- For horizontal wells make sure to specify a Proposed measured length.
- For Class II wells you must provide a proposed maximum allowable injection pressure and injection rate and attach all documentation needed to evaluate your request.

#### **PART V**

- The well diagram must be completed for all Class II well applications.
- Proof of cement is required for all Class II wells in the form of cement tickets or a cement bond log.

#### **PART VI**

- Applications that do not contain an original signature cannot be processed.
- The signature **must** match a signature shown in Parts VI or VII of the Organizational Report.
- If this application is for a Change of Operator your signature in PART VI certifies that you could not obtain this permit through the permit transfer process **ONLY** because the former operator could not be located.

**Important:** A permit issued as a result of this application is a license to conduct an activity and does not convey any property rights to the permittee. Consequently, the permittee is solely responsible for acquiring any and all property rights necessary to use the permit for its stated purpose.

DEC 3 2014

**General Instructions**

Use a 1"=1000' scale

**Surveyor must complete the following**

- Clearly indicate the section township, and range on the survey, spot the well and show the footages from the lines
- Use the surveyor's notes to explain deviations from a standard location such as topography and irregular sections
- Enter the NAD 83, Zone 16 UTM x and y coordinates with an accuracy variance of no more than 4 meters.

**Operator or authorized agent must complete the following**

- For oil or gas wells, outline the leased or communitized area AND the drilling unit allotment
- For all Directional and Horizontal wells show the surface location AND termination point of the well
- For Enhanced Recovery and Saltwater Disposal wells, draw a 1/4 mile radius circle around the proposed well, spot all other wells (plugged or unplugged) that intersect the proposed injection zone(s), and put the permit number of each well over the spot.

**NOTE: Please show the entire 1/4 mile radius circle around proposed Class II wells**

THE GROUND  
ELEVATION AT  
THE PROPOSED  
WELL IS 508.6  
FEET (NAVD '83)

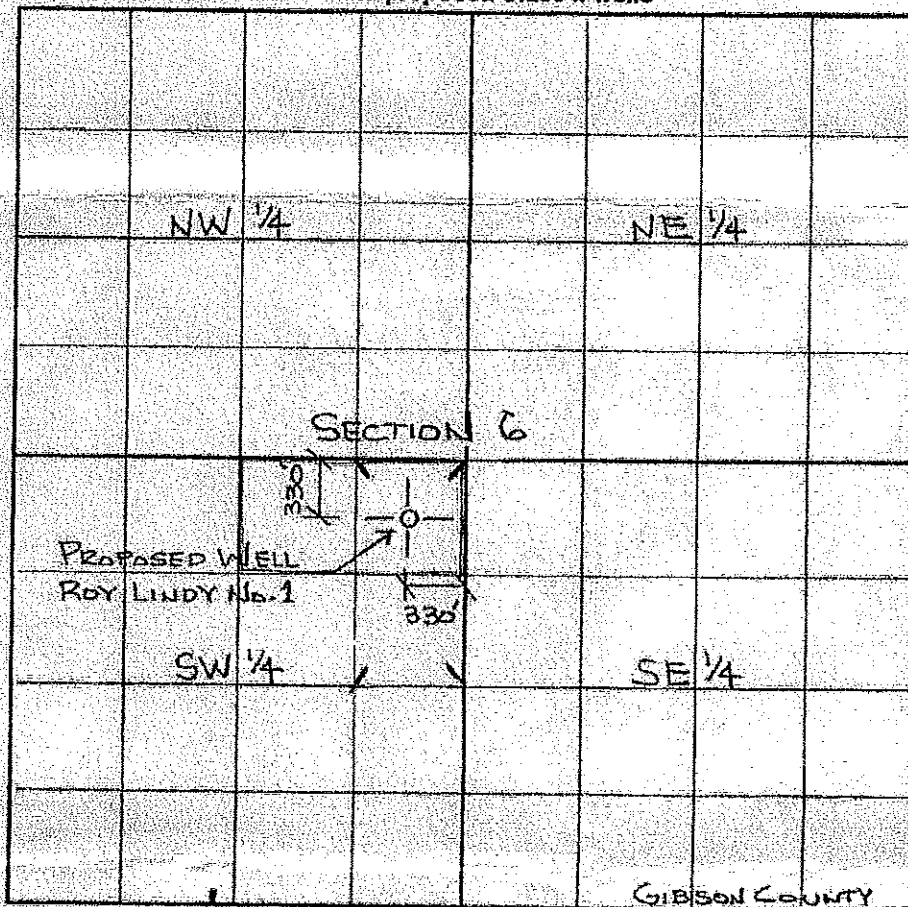
Drilling Unit  
approved under  
10 to exception  
17.960600

11/3/14



Proposed well coordinates

UTMX 40,299 UTM Y 4,254,413  
METERS METERS



R 9 E or W

I hereby certify that to the best of my knowledge and belief, the proposed location of the above described well, fixed as the result of an instrument survey made by me in compliance with the requirements of the law of Indiana, is truly and correctly set forth hereon.

Signature of registered Indiana land surveyor

Darren L. Helms

Date signed (mm,dd,yyyy)

Aug. 26, 2014

Address (Street or PO, City, State, Zip)

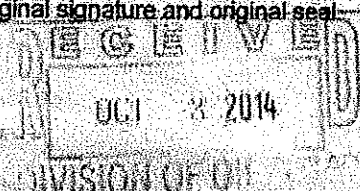
LANDMARK SURVEYING Co, INC., 15NE3<sup>RD</sup> ST, WASHINGTON, IN 47501

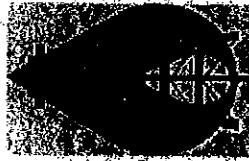
Telephone number

812-257-0950

**Special PART VII Requirements**

- You should adjust the location of the center of the section on the diagram so that the entire set of information in the General Instructions shows on a single survey plat. (Example: If a horizontal well will begin in one section but terminate in another you should move the section center point so that portions of both sections appear on the plat)
- This form must contain an original signature and original seal





# State of Indiana

Permit # 55123

App. Type(s) New

Issued On: 11/3/2014

Effective On: 11/21/2014

Surf. Elev. 508 feet

## Department of Natural Resources Division of Oil and Gas

### DRILLING AND OPERATING PERMIT

Hydrocarbon Investments, Inc.

7235 N. Green River Road

Evansville IN 47725-7322

Pursuant to IC 14-37, the operator listed above is authorized to drill and operate a

Oil

well as follows:

WELL #	LEASE NAME	COUNTY	TWP	RGE	Section	QUARTERS	FOOTAGES	FORMATION	ESTIMATED TD
1	Roy Lindy	Gibson	1 S	9-W	6	NE NE SW	330 N 330 W	Devonian	3500

Important: The Field Inspector must be notified by the permittee

1. Before drilling commences
2. In the event of an emergency
3. Forty-eight (48) hours prior to plugging
4. When coal seam protection is required

Jon Limbach (812)830-9390

Field Inspector Phone Number

*Mona Nemecek*

Mona Nemecek, Tech. Service Mgr.

**A COPY OF THIS PERMIT MUST BE POSTED AT THE WELL SITE BEFORE DRILLING COMMENCES**

167212